

To: All Field Sales Personnel with Direct Account Responsibility

Due to the tight time frame we are working under for the WINSTON No Bull repositioning, it is necessary to ask you to contact your direct accounts before attending the Launch Meeting so that they are ready to handle the New WINSTON when it arrives.

It is critical that you fully understand the New WINSTON positioning before forming opinions or relating your thoughts to direct accounts. We would have preferred to present the positioning to you before you made trade contact but a tight time frame made this impossible. What you should know is this repositioning has been tested in Florida for over a year and it effectively reversed Winston's declines!!

Attached is the information necessary for you to present WINSTON No Bull to your direct accounts. Information includes:

- Guidelines for Minimizing Returned Goods
- Guidelines for Increasing Box Distribution
- July-December 1997 Workplan Summary
- Direct Account Fact Sheet
- UPC Information

Proper rotation at the direct account is critical so that our liability in returned goods is minimized. Please make this a top priority during your direct account coverage.

Direct Account Coverage: Begins week of 5/12/97

A step by step process which provides guidelines to minimize returned goods on the current packaging/blend is detailed on Pages 2-3 of Attachment A. However, other options may also be available. Each direct account has different ways of moving product through their warehouses.

During your first contact with the direct account, we recommend that you go through a discovery process to find out what systems/procedures can best be utilized to assist in the rotation of WINSTON. (Remember: With rotation, it's probably more effective to gain the cooperation of backroom personnel than it is to convince the manager)

Some questions you might ask:

- Who receives product into the warehouse?
- Do you work a "first in - first out" process or are the cigarettes pulled off the truck used to fill orders first?
- Is there an individual responsible for the rotation of cigarettes?
- Can a temporary, separate staging area be set up for New WINSTON that is utilized until the current blend/package sells through?
- What systems do you use to aid in product rotation with other products?

It is critical that a plan is put into place to minimize our liability on returned goods in all direct accounts.